

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

October 20, 2008

9:30 a.m.

Embassy Suites Hotel
333 Madonna Road
San Luis Obispo, CA 93405

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
John Chiang
Rob Feckner
David Gilb
Henry Jones
Bill Lockyer
Louis F. Moret
Tony Oliveira
Anne Sheehan
Kurato Shimada
Charles Valdes

CLOSED SESSION 9:00 a.m.

Interim Chief Investment Officer's Briefing on Market and Personnel
Issues (Government Code sections 11126(a)(1) and (c)(16))

OPEN SESSION 9:30 a.m.

CLOSED SESSION Upon Adjournment or Recess of Open Session

(Government Code sections 11126(c)(16), (e), and 11126(g)(1))

AGENDA

OPEN SESSION

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the September 15, 2008 Open Session Minutes |

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| Action / Matt Flynn | 3. Total Fund
a. Summary of Services for General Pension Consultant Spring-Fed Pool and Private Equity Consultant |
| Information / Ted Eliopoulos | 4. Real Estate
a. Responsible Contractor Annual Report |
| Information | 5. Alternative Investments Management (AIM) |
| Information / Farouki Majeed | 6. Inflation-Linked Asset Class (ILAC)
a. Implementation Update |
| Action / Curtis Ishii | 7. Global Fixed Income
a. Selection of High Yield Fixed Income Managers |
| Information / Wilshire Associates
Information / Eric Baggesen | 8. Global Equity
a. Consultant Review of Internal Risk Managed Absolute Return Strategies (RMARS) Program
b. Trading Process Modification |
| Information / Wilshire Associates
Information / Eric Baggesen
Information / Eric Baggesen | 9. Global Equity – Corporate Governance
a. Consultant Review of Internal Corporate Governance Program
b. Corporate Board Diversity Update
c. Corporate Governance Update
1) Review of Federal Emergency Economic Stabilization Act of 2008 and Next Steps |
| Information | 10. Supplemental Income Plans (SIP) |
| Information / Anne Stausboll | 11. Chief Investment Officer's/Chief Operating Investment Officer's Report
a. Consolidated Investment Activity Report
b. Chief Operating Investment Officer's Status Report
c. 2008 Annual Agenda Item Calendar |
| Information | 12. Draft Agenda for November 17, 2008 |
| | 13. Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION

Upon Adjournment or Recess of Open Session

(Government Code section 11126(c)(16))

(Government Code section 11126(e) [Item 4 only])

(Government Code section 11126(g)(1) [Item 13 only])

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the September 15, 2008 Closed Session Minutes |
| Action / Farouki Majeed | 3. Total Fund <ul style="list-style-type: none"> a. Asset Allocation and Liquidity b. Synthetic Enhanced Equity Implementation |
| Information / Ted Eliopoulos | 4. Real Estate <ul style="list-style-type: none"> a. Portfolio Sector Update and Partnership |
| Information | 5. Alternative Investments Management (AIM) |
| Information / Farouki Majeed | 6. Inflation-Linked Asset Class (ILAC) <ul style="list-style-type: none"> a. Forestland Transaction Update |
| Information / Curtis Ishii | 7. Global Fixed Income <ul style="list-style-type: none"> a. Credit Linked Note Update b. External Manager Update c. Domestic Fixed Income and Credit Enhancement Opportunity |
| Information / Eric Baggesen | 8. Global Equity <ul style="list-style-type: none"> a. External Manager Update |
| Information | 9. Global Equity – Corporate Governance <ul style="list-style-type: none"> a. Breeden Europe Fund |
| Information | 10. Supplemental Income Plans (SIP) <ul style="list-style-type: none"> a. External Manager Update |
| Information / Anne Stausboll | 11. Chief Investment Officer's/Chief Operating Investment Officer's Report <ul style="list-style-type: none"> a. Status of Action Items Not Yet Reported |
| Information / Anne Stausboll | 12. Activity Reports <ul style="list-style-type: none"> a. Alternative Investments Management b. Real Estate c. Risk Managed Absolute Return Strategies d. Corporate Governance e. Inflation-Linked Assets |
| Information / Anne Stausboll and Chris O'Brien | 13. Chief Investment Officer Recruitment |